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**Salzgitter AG
Investor Relations
D-38223 Salzgitter**

**Phone: +49-(0)5341-21-3783
Fax: +49-(0)5341-21-2570
kleinermann.b@salzgitter-ag.de**

Ad-hoc-release according to § 15 WpHG

SALZGITTER AG

Positive trend holds steady in the first half-year of 2006

Against the backdrop of a very firm market for rolled steel and tubes, the divisions of Salzgitter AG which operate in production and trading generated exceptionally high results in the first half of 2006.

Consolidated external sales rose to € 4.03 billion (H1 2005: € 3.63 billion). With operating results at € 437.9 million, pre-tax profit after expenditure of € 239.1 million for the part hedging of an increase in the value of the 17.2 % participation in Vallourec S.A., which came to more than € 1.3 billion on the reporting date and cannot be disclosed under consolidated assets, stood at € 198.8 million (H1 2005: € 463.4 million). After-tax profit came in at € 130.0 million (H1 2005: € 332.7 million). Return on capital employed amounted to 16.6 % (before the aforementioned special effect: 35.3 %; H1 2005: 41.6 %).

External sales and earnings before taxes by Division:

(EUR million)	Consolidated sales		EBT	
	H1 2006	(H1 2005)	H1 2006	(H1 2005)
Steel	1,199	(1,134)	203.6	(282.3)
Tubes	828	(705)	138.0	(157.7)
Trading	1,758	(1,631)	78.4	(44.1)
Services	206	(161)	12.1	(3.7)
Other/Consolidation	43	(0)	-233.3	(-24.4)
Group	4,034	(3,631)	198.8	(463.4)

On the basis of the information currently available and expectations concerning trends in the procurement and sales markets, as well as the general framework conditions, and taking account of the effects of the profit improvement program, the Salzgitter Group expects to post for the current year an operating pre-tax result of at least € 650 million plus an additional profit of around € 900 million from the sale of its Vallourec participation. Express reference is made to the fact that opportunities and risks arising from currently unforeseeable trends in sales prices, input materials and capacity level developments, as well as changes in the currency parity, may considerably affect performance in the course of the remaining financial year 2006. The fluctuation in the consolidated pre-tax result accruing from conceivable influences in their entirety may, as experience has shown, be within a considerable range.

For further details, please see the press release and the Interim Report for the first half of 2006 (www.salzgitter-ag.de) published tomorrow.